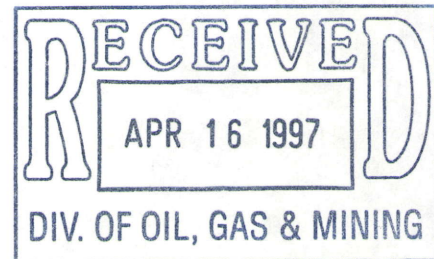


Sunray Mineral Products

1810 Shumway  
Moab, Utah 84532  
801.259.7893  
Fax 801.259.7894

April 11, 1997

State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801



Mr. Tony Gallegos,

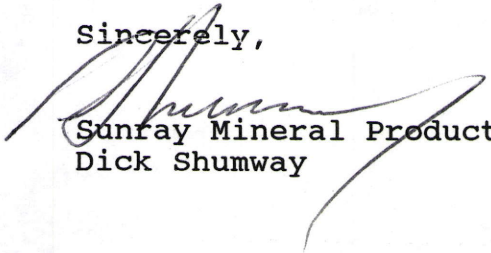
Dear, Tony

I have just agquired the State Trust land clay lease ML #44815 from Duvel Corporation. This lease located all sec 2, T27S, R9E.

This action should roll all our past time and work into a project that we can now finally work.

Enclosed is Notice of intent for this lease. DOGMA now has S/055/006 for the Factory Butte Mineral project.

Sincerely,

  
Sunray Mineral Products  
Dick Shumway

S/055/006

April 11, 1997

State of Utah  
Trust Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City, 84102-2818

**Notice of intent Clay Lease ML 44815**

The intent of this notice is to combine all previous work and mine notices on this property under the Clay lease, thus making it possible to get this project under way.

Applicant: Dick Shumway  
Sunray Mineral Products  
1810 Shumway Lane  
Moab, Utah 84532  
801,259,7893

This is a deposit of Leonardite/Humate, situated in the upper Ferron Sandstone formation. The surface in this location is the Mancos Shale formation. The subject material ranges from 4 to 6 feet in thickness and generally is capped by a 3 to 6 foot sandstone layer. The subject material is a very low-grade weathered lignite shale, it has a very high ash and sulfur content and is very acidic with a pH <3. This material can be used to make a good Organic Soil Conditioner. Reserve estimates, using a thickness of 5' are approx. 14,000 ton per acre. Extension of this mineral deposit over 60 acres will contain 840,000 ton.

We will use strip mining to work this deposit. Stripping ratio will range from 1 to 1, 2 to 1. Various types of equipment can and will be used, such as dozers, loaders, backhoe, trucks and drills. We plan to begin mining in the S end of the existing pit. Sandstone cap rock may be blasted if ripping is not possible. Overburden will be moved into pit to expose target material which will then be removed. The continued mining cycle will repeat as the prior mined area is reclaimed with the waste from current advancement. A dike will be maintained to prevent water runoff from current mine area from entering the old pit. It is anticipated that 95% product recovery will be attained through this mining method.

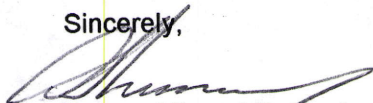
Our new mine activity will reduce the present highwall of the existing pit to at least a 1V:2H slopes and future excavation highwalls will maintain a minimum 1V:2H slope. The present small operation will disturb no more than 1 acre of surface at any one time. The subject material will be loaded into trucks and hauled to processing plant for crushing. Loaded trucks will be weighed and accurate records kept for all mined ore. There is no plan to have a large stockpile of mined ore, the ore will be mined as needed for market, this will protect the material from any unnecessary contamination.

Reclamation will be an ongoing process, as the mine advances the prior mined area will be reclaimed with the strip waste spoils from new activity. The site will then be contoured and seeded.

A C.D. surety bond is on file with your office for this operation.

DOGM has assigned the Factory Butte Mineral project mine number S/055/006.

Sincerely,



Sunray Mineral Products  
Dick Shumway